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## **BPA announces further downsizing**

### **Bonneville Power Administration**

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**PORTLAND, Ore. —** Following a three-year downsizing effort to reduce its regular and contractor staff by 20 percent, the Bonneville Power Administration today announced new downsizing targets over the next three years. The move, which could affect as many as 900 regular employees and contractors, is expected to save \$70 million annually.

BPA is the nation's largest federal power marketing agency. For nearly 60 years, the agency has supplied half of the Pacific Northwest's electrical power and provided the lowest wholesale electricity rates in the nation. Now, facing deregulation in the wholesale electrical utility industry, BPA is facing intense competition for the first time in its history.

While other wholesale electricity suppliers now offer comparably priced power, they do not have BPA's legislative mandates and public responsibilities. These include responsibilities to Northwest consumers, other government agencies, taxpayers and the environment. BPA has mandates for providing leadership in energy conservation, development of renewable energy, and funding for fish and wildlife protection.

"We intend to honor our obligations to provide public benefits, and the way to do that is through a commercially viable business," said Sue Hickey, BPA's chief operating officer. "Our vision is a lean organization with highly skilled employees. We are working diligently to achieve a level of efficiency that will set a standard for both business and government." She said also that these and other cost-cutting efforts were critical to providing a fair return to U.S. taxpayers for their investment in the Northwest hydropower system.

At an all-employee meeting on July 10, Hickey announced new staff reduction targets of approximately 500 BPA employees and approximately 400 contractors by 1999. The targets are preliminary and will be further refined as part of BPA's re-engineering effort, she said. Hickey also said BPA hopes to avoid involuntary reductions in force.

Hickey credited voluntary separation incentives, authorized by the federal government in the early 1990s, with allowing BPA to downsize with minimal disruption. "We were able to meet our previous downsizing goals in just over two years with a combination of voluntary separation incentives, attrition and a hiring freeze. I'm not ruling out 'RIFs,' but I believe we have the tools to meet our targets without the terrible disruption of involuntary downsizing," she told employees.

In the early 1990s, BPA had close to 3,700 employees. Today, the number is 3,230. In addition, contracting staff has been reduced by roughly 500. The downsizing and other cost-cutting efforts already have paid off. In June, BPA announced an average 13 percent rate decrease for its preference customers

(public utilities, municipalities and cooperatives) and a stable rate for five years.

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